

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 225 - HB 588

February 12, 2023

SUMMARY OF BILL: Authorizes a local education agency (LEA) that has established a virtual school to enter into an agreement with an LEA that has not established a virtual school to provide remote instruction to students enrolled in either LEA who have been suspended or expelled from the regular school program. An agreement entered into pursuant to this section qualifies as an approved alternative program. Applies to the 2023-24 school year and subsequent school years.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 49-6-3402(d), a student attending an alternative school continues to earn state education funds in the student's home school system and is required be counted for all school purposes by that system as if still in attendance there.
- LEAs that choose to participate in the remote instruction option would need to create an agreement or contract.
- The home LEA retains accountability for the suspended or expelled student served by the agreement; therefore, the LEA providing the virtual school option could receive some payment from the other LEA through use of state and local funds generated by the student to fund any contract or agreement.
- The proposed legislation may result in a shift in funding between LEAs.
- Because the funding will follow the student to the virtual school, the decrease in revenue for the student's home LEA will be offset by a decrease in expenditures by that LEA not having to educate the student. For the LEA providing the virtual school, the increase in revenue following the student will be offset by the expense of educating the student. Any net fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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